AN AMERICAN BANKER SPECIAL REPORT

Credit Commercial Leads the Video Banking Parade in France

By JAMES KRAUS

PARIS — With less than one-fourth the population of the United States, France has more than twice as many video banking customers.

Consumer video banking accounts numbered about 150,000 at the end of 1985, and business accounts about 50,000. Credit Commercial de France had the biggest share, some 115,000 home users and 6,000 businesses.

This growth has come despite the absence of any bill-paying capability in French video banking services, a feature that video banking providers and customers in the U.S. consider essential.

The Paris-based Credit Commercial, a leader in banking technology, plans to rectify this lack. It will shortly introduce France's first interactive home banking program permitting customers to order payments to accounts outside the bank. And Joseph Perez, senior vice president in charge of marketing, says that within the next few months Credit Commercial will offer an additional specialized service which he believes will be "unique worldwide." He would not elaborate.

"Developments will permit us to suppress the problem of geographical distance," says Mr. Perez, "and set a new style in relations between banks and customers." Soon, he says, the bank will be visiting the customer and not the customer the bank.

Called Videocompte, the Credit Commercial home banking service currently provides on-line statements, details on account transactions over the previous 15 days, check book ordering, transfers between accounts, exchange rates, stock prices, and information on products and services offered by the bank.

The new interactive service, says Mr. Perez, will exclude such functions as loans, life insurance, or investments where the bank feels an adviser is necessary.

To assure the security of transactions under the new system, subscribers will provide the bank with a list of preauthorized payees for transfers and will use eight digit code numbers to access their accounts.

A second code number with a varying number of digits will permit subscribers to process the transfer. After more than three unsuccessful attempts using an incorrect code number, communications will be cut off automatically. After a further unspecified number of attempts, the client will be advised to change his code number.

Credit Commercial introduced Videocompte in December 1983. It says nearly one-third of its 350,000 clients now subscribe to the private home banking service and the goal is to sign up all its customers within three years. Another 6,000 companies have signed up for Videobanque, the bank's corporate cash management and financial information service.

Credit Commercial thus accounts for the biggest share of subscribers to home banking services offered by 161 depository institutions in France. Around 30 million francs ($4 million) has been invested by the bank in setting up its network and for the last three years, Credit Commercial's entire annual advertising budget has been turned over to promoting the merits of home banking.

Mr. Perez acknowledge that growth has been bolstered by the French postal authority's program to install Minitel terminals free of charge in households as a replacement for printed phone directories. Growth also was spurred by the bank's own need to cut expensive mailing charges for the account statements it provides customers automatically after each transaction.

A further factor, he adds, was the bank's policy against expanding its number of branches beyond the existing 226.

"The first risk we faced was that the innovation would be viewed as a gadget," he says. "The second was that the government would interrupt its program to install Minitel terminals."

More than 1.5 million Minitel terminals had been installed in French households by the end of 1985, though not all were in use. The number of installations is expected to exceed two million by the end of this year, giving Credit Commercial further room to maneuver.

Of the more than 1,000 videotex services accessible by the Minitel over the Transpac national packet switching system, home banking accounts for 10% to 12% and about 17% of individual usage is linked to bank services.

Perhaps the most important reason for the rapid growth of home banking at Credit Commercial is that it is one of only two banks to offer services free of charge. The other is Credit du Nord.

For banks which started later and imposed monthly subscription charges, growth has been slower.

"Big banks didn't have the same approach we did. Some frankly told us that, given the costs, they thought we were crazy," says Mr. Perez.

He refrains from commenting on profitability beyond saying that the bank already has succeeded in eliminating a large part of its formerly high postal charges.

Societe Generale Is No. 2

According to most estimates, the nearest competitor to Credit Commercial to emerge so far has been Societe Generale with 22,000 subscribers to its Logitel home banking system launched last May. Societe General chairman Jacques Mayoux says the bank is now in first place among those offering a paid system.

Societe Generale charges 25 francs ($3.30) for its monthly service which provides statements of account, information on Carte Bleue credit card transactions, intrabank account transfers, as well as 750 pages of videotex information, including two daily financial bulletins on stock exchange prices and foreign exchange rates.

The bank this year plans to introduce a message service as well as an individual listing of share prices held by customers. Beyond that, says a member of the bank's home banking task force, Societe Generale will take a wait-and-see position.

For security reasons, this officer says, the bank will not move into a wider range of cash transfers until the smart card gains wider usage.

Societe Generale also does not intend to provide services free of charge and profitability remains to be proven, he adds.

If within the next five or six years the number of home subscribers reaches only 10% of Society Generale's customers, the same official says home banking will be only another product offered by the bank. But if the number of subscribers reaches 30% to 40% of the total, "Banking will be revolutionized," he says.

Doubts that remain among other French banks fail to deter Credit Commercial. The bank now has more than a year's lead in developing and testing technology for home banking services, says Mr. Perez, and even if it is numerically surpassed by other banks in the number of subscribers, the bank will remain a leader in offering more sophisticated services.

Credit Commercial's lead position is paying off in another way. Mr. Perez says his bank now provides technical assistance on several projects for setting up home banking networks in North Africa and in northern European countries. Potentially lucrative contracts in other countries, including Spain, are under discussion. ■

Glossary of Terms Used in Video Banking

This is a glossary of technical terms used in video banking. In the definitions, italicized words appear elsewhere as separate entries and are further defined. Common acronyms are shown.

acoustic coupler: A device to connect a telephone earpiece and mouthpiece separately to a modem. See direct connect.

alphageometric: A videotex display technique that produces smoother and more elaborate graphics than alphamosaic. Geometric instructions are transmitted to the terminal or computer.

alphamosaic: A videotex display technique which divides the screen into an invisible grid and accepts signals instructing how each square is filled in, as if creating a mosaic.

ASCII: American Standard Code for Information Interchange. The protocol used by most small computers. It assigns a one-byte value to 96 printable characters and 32 control characters which are not printable.

audiotex: Interactive communication between a user's telephone, terminal, or computer on one side and a host computer on the other, with telephone tones sent up the system and voice sent back. See *videotex* and *teletext*.

baud: A unit for expressing data transmission speed. The rate in bits per second that data flows between computer devices. Named for the J.M. Emile Baudot, a French inventor who pioneered print telegraphy. Generally, 300 baud is a transmission speed of 30 bits a second and 1,200 baud is 120 bits a second.

beta test: The first public test of a new program, system, or hardware, under controlled conditions with selected users.

bit: The smallest piece of data a computer can work with, expressed only by the values 0 or 1. Eight or 16 bits make up a byte. Their arrangement forms the character or number. The term is a contraction of "binary digit."

byte: A single unit of information, such as a letter, number, or other character. A byte is formed by eight or 16 bits. Through arrangement of the bits' 0 and 1 values, the byte may express any of 256 characters. In addition, there may be a start bit, to indicate the beginning of transmissions, and a stop bit, consisting of 1, 1½ or 2 bits, to indicate the end of a word.

CompuServe: An on-line information service based in Columbus and owned by H&R Block Inc.

CP/M: A microcomputer operating system developed by Digital Research Inc. It stands for Control Program for Microcomputers but the acronym itself suffices in copy.

CPS: Characters per second.

data base: A collection of records stored electronically.

decoder: The videotex unit that transcribes incoming protocol signals onto a screen.

Delphi: An on-line information service operated by General Videotex Corp., Cambridge, Mass.

direct connect modem: A modem that connects directly to the phone system with a jack, as opposed to an acoustic coupler. Users may transmit at either 300 or 1,200 baud. Also, the signal quality is better with direct connection.

disk: A piece of equipment used to store data.

diskette: A floppy disk.

disk drive: A device, analogous to a record player, that enables the user to load programs and data from a diskette to a computer and to store them from computer to diskette. Different from a tape drive. The read/write head reads information from the disk and writes information to the disk.

DOS: Disk operating system.

double density: Capable of storing twice as much data as earlier disks.

double sided: Refers to a disk which stores information on both sides. Disks usually are either single side double density (SS-DD) or double sided double density (DD-DD).

Dow Jones News/Retrieval Service: An on-line data base and information service based in Princeton, N.J., and owned by Dow Jones & Co., New York.

download: Transmit a file or program from a mainframe computer to a terminal or satellite computer. Opposite is upload.

DSDD: Double sided double density, describing a disk.

DSQD: Double sided quad density, describing a disk.

dumb terminal: A terminal with no processing capability, unlike an intelligent terminal.

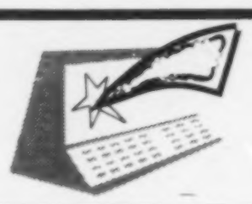
EFT: Electronic funds transfer.

electronic funds transfer: A paperless transfer initiated from a terminal, computer, telephone instrument, or magnetic tape. EFT.

electronic mail: A service allowing a computer user to send messages instantaneously to another user's directory, or "mailbox." It is a feature of such on-line data base systems as CompuServe and the Source." E-mail is a trade mark of CompuServe.

encryption: Scrambling. Encoding. It often is done automatically in the terminal or computer before data is transmitted.

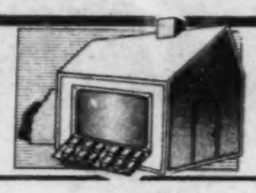
fiber optics: A transmission technology using modulated infrared light sent through a glass fiber the thickness of a human hair. A cable with 44 fibers has a diameter of ⅞ of an inch. Each fiber can carry about 2,000 telephone circuits when light is transmitted at 405 million bits per second.



A Guide to On-Line Securities Brokers

Revised 1/6/86

Name of Broker	System	No. of On-Line Accts.	Commissions $30 Stock 100 Shares	Commissions $30 Stock 1,000 Shares	Min.	Clear Through	Hours of Operation, Connect Charges	Software-Based or Open System?	Order Handling (Ticket written, msg. rekeyed, or switched?)
Max Ule Division, Ingham, Becker & Co., New York (May 1982)	Tickerscreen	1,100	43.12	199.96	$30	National Financial Services Inc.	5 p.m. to 9 a.m. weekdays, all day weekends, holidays. No connect charges direct, only via CompuServe.	Open	Rekeyed
North American Investment Corp., East Hartford, Conn. (Nov. 1983)	Own	800	37.19	185.00	$35	Pershing	Round the clock direct or via Delphi, at $16/hour 8 a.m. to 6 p.m. business days, $6/hour other times.	Open	Rekeyed
Fidelity Brokerage Services, Boston									
1. March 1984	TradePlus	N.A.	56.90	142.00	$33	National Financial Services Inc.	Round the clock. $15/month for one hour. Then $26.40/hour 7 a.m. to 6 p.m. on business days, $13.20/hour other times.	Open	Rekeyed
2. October 1985	Dow Jones News-/Retrieval	N.A.	56.90	142.00	$33	National Financial Services Inc.	Daily 6 a.m. to 4 a.m. $18/hour 6 a.m. to 6:01 p.m., $6/hour other times		
Unified Management Corp., Indianapolis (April 1984)	Unisave	997	30.00	100.00	$30	Self	Round the clock. Connect charge for research only	Open	Switched
Security Pacific Brokers Inc., Pasadena, Calif.									
1. On-Line Advantage (July 1984)	Wilshire Associates	1,800	45.00	155	$36	Financial Clearing Services	Round the clock. $30/hour 6 a.m. to 2 p.m. Pacific time business days, $20/hour 2 p.m. to 10 p.m. business days, $10/hour other times.	Open	Switched
2. C.D. Anderson division (July 1983)	TradePlus	750	———	———	———	Same as above	———	Open	Rekeyed
3. Madison National Bank, Washington (June 1985)	Wilshire Associates	30	———	———	———	Same as above	———	Software	Switched
Quick & Reilly Inc., New York									
1.October 1984	Citibank Focus	N.A.	40.00	175	$40	Self	9 a.m. to midnight every day. No connect charges.	Software	Rekeyed
2.May 1985	CompuServe and TradePlus	N.A.	39.20	119.97	$35	Self	Round the clock. CompuServe connect charges plus $11.50/hour 8 a.m. to 6 p.m. business days, $2.50/hour other times.	Open	Rekeyed
Spear Securities Inc., Los Angeles November 1984	The Source	2,750	45.00	133	$35	Securities Settlement Corp.	Round the clock. The Source connect charge: $30/hour 6 a.m. to 2 p.m. Pacific time business days, $20/hour 2 p.m. to 10 p.m. business days, $10/hour other times.	Open	Switched
Rose & Company Investment Brokers Inc., Chicago (Dec. 1984)	Chase Manhattan Bank	N.A.	35.00	145	$25	Self	Round the clock, every day. No connect charges.	Software	Rekeyed
Charles Schwab & Co. Inc. San Francisco									
1.February 1985	Own	3,000	49.00	144	$34	Self	Round the clock every day. Connect charges only for research, including prices.	Open	Switched
2.June 1985	BofA's HomeBanking via TradePlus	N.A.	49.00	144	$34	Self	6 a.m. to midnight Pacific time, seven days a week. $8/month banking fee plus $20/month for brokerage. After first hour, connect charges 48 cents/minute 7 a.m. to 6 p.m. business days, 12 cents/minute other times.	Open	Rekeyed
Eastern Capital Securities Inc., Boston (March 1985)	Own	200	37.00	102.50	$30	Settlement Securities Corp.	Round the clock, every day. Easylink connect charges only: 50 cents/minute in U.S. plus 20 cents per call if by WATS.	Open	Written



Who's Who In Video Banking Nationwide

ACI: Applied Communications Inc.'s Base24. **AP:** Associated Press. **CHI:** Chillicothe Telephone Co. system. **CIS:** CompuServe. **DA:** Data One Inc., Knoxville. **DJ:** Dow Jones News/Retrieval. **HAR:** Harbinger Home Computer Services Inc., Atlanta. **HBI:** Home Banking Interchange. **INF:** Informart. **KFX:** Keyfax. **K-R:** Knight Ridder Newspapers' Viewdata Corp. of America Inc. **MAC:** Money Access Service system. **NCR:** NCR Universal Credit Union's Companion At-Home. **NOA:** National Oceanic & Atmospheric Administration. **Own:** Proprietary. **PRE:** Precision Software Inc.'s HomeBranch. **PRO:** Pronto. **PTC:** Princeton TeleCom. **S&P:** Standard & Poor's. **SHU:** Shuttle Corp.'s Scratch Pad. **STX:** Startext, Fort Worth Star-Telegram. **T-M:** Times Mirror Videotex Services. **TXT:** Transtext. **VBK:** VistaBanc (Toledo Trust Co.) **VFS:** VideoFinancial Services of America.
■—Operational.□—Pilot.○—Planned. X—No plans to implement. •—New entry in table. +—Revised entry. Table revised 1/6/86.

	Institution	Status	System	Bill Paying	Statement On-Line	Brokerage	No. of User IDs	Additional Service Provider
ARKANSAS	+ Worthen Bank & Trust Co., Little Rock	○	--	○	○	○	--	--
CALIFORNIA	+ Bank of America NT&SA, San Francisco	■	Own	■	■	■	NA	T-M
	• Great American First Savings Bank, San Diego	○	PTC	○	○	X	--	DowPhone
	• Home Fedl.Savings & Loan Assn., San Diego	○	VFS	○	○	X	--	T-M
	+ IBM Pacific Credit Union, San Jose	■	NCR	○	○	X	100	CIS
	Security Pacific National Bank(Gateway)	■	VFS	■	■	○	100	T-M
	• Security Pacific National Bank(PC Banking)	□	VFS	□	□	○	200	--
CONNECTICUT	Union Trust Co.(Pronto Personal), New Haven	■	PRO	■	■	○	N.A.	PRO
	Union Trust Co.(Pronto Business Banker)	○	PRO	○	○	X	--	PRO
DISTRICT of COLUMBIA	Madison National Bank	■	Own	■	■	■	1,000	○
FLORIDA	+ Barnett Bank, Jacksonville	○	--	○	○	○	--	--
	Continental National Bank, Miami	■	Own	■	■	○	360	X
	Florida National Bank(Pronto Personal), Jacksonville	□	PRO	□	□	○	50	PRO
	Florida National Bank(Pronto Business Banker)	□	PRO	X	□	X	80	PRO
	Southeast Bank, Miami(Viewtron)	■	VFS	■	■	X	336	K-R
	• Southeast Bank(CompuServe)	■	VFS/CIS	■	■	X	127	CIS
GEORGIA	First National Bank of Atlanta	○	TXT	○	○	X	--	○
	Fulton Federal Savings & Loan Assn., Atlanta	■	HAR	■	■	○	200	DJ
ILLINOIS	First National Bank of Chicago	○	KFX	○	○	○	--	KFX,VFS
LOUISIANA	Louisiana National Bank, Baton Rouge	■	SHU	■	■	○	522	AP,NOA
MASSACHUSETTS	Shawmut Corp., Boston	■	Own	■	■	X	N.A.	X
	• State Street Bank & Trust Co., Boston	○	CIS	○	○	N.A.	--	N.A.
MICHIGAN	+ First of America Bank Corp., Kalamazoo	○	--	○	○	○	--	--
	+ Manufacturers National Bank, Detroit	○	--	○	○	○	--	--
	National Bank of Detroit	□	Own	□	□	○	75	○
MINNESOTA	Northwest Orient Airlines Credit Union, Minneapolis	□	NCR	□	□	○	100	CIS
NEW JERSEY	• United Jersey Banks, Princeton	□	PTC	□	○	X	100	DowPhone
NEW MEXICO	• Los Alamos Credit Union	□	NCR	□	□	○	400	CIS
NEW YORK	Chase Manhattan Bank, New York	■	Own	■	■	■	N.A.	S&P
	Chemical Bank(Pronto Personal), New York	■	PRO	■	■	○	N.A.	PRO
	Chemical Bank(Pronto Business Banker)	■	PRO	X	■	X	N.A.	PRO
	Citibank(Direct Access), New York	■	Own	■	■	○	N.A.	DJ
	Citibank(Focus), New York	■	Own	■	■	■	N.A.	X
	Empire of America Bank, Buffalo	□	Own	□	○	X	106	○
	Manufacturers Hanover Trust Co., New York	■	ACI	■	■	X	N.A.	X
	United States Trust Co., New York	■	Own	X	■	■	180	X
NORTH CAROLINA	+ NCNB National Bank, Charlotte	■	VFS/CIS	■	■	X	N.A.	CIS
	Wachovia Bank & Trust Co., Winston-Salem	○	VFS	○	○	○	--	K-R
OHIO	+ BancOhio National Bank, Columbus	○	--	○	○	○	--	--
	• BancOne Corp., Columbus	■	VFS/CIS	■	■	X	250	CIS
	Huntington National Bank, Columbus(BancShare)	■	CIS	■	■	X	N.A.	CIS
	Huntington National Bank, Columbus(ExpressWire)	■	Own	--	--	X	N.A.	X
	+ National City Bank, Cleveland	○	--	○	○	○	--	--
	NCR Universal Credit Union, Dayton	■	NCR	■	■	○	200	CIS
	+ Society National Bank, Cleveland	○	--	○	○	○	--	--
	Toledo Trust Co.	■	VBK	■	■	○	500	○
	Trustcorp Inc., Columbus	■	VBK	■	■	○	25	○
PENNSYLVANIA	Penn Security Bank & Trust Co., Scranton	■	Own	■	■	X	388	○
	• Philadelphia National Bank	○	MAC	○	○	X	--	○
	• PSFS, Philadelphia	■	VFS/CIS	■	■	X	N.A.	CIS
SOUTH CAROLINA	Bankers Trust Co. of S.Carolina, Columbia	○	--	○	○	○	--	--
TENNESSEE	• First Tennessee Bank	○	PRO	○	○	○	--	PRO
	ORNL Credit Union, Oak Ridge	■	NCR	■	■	○	79	CIS
	United American Bank, Memphis	■	DA	■	■	X	95	X
TEXAS	• InterFirst Bank Fort Worth	□	STX	□	○	○	37	STX
	MBank, Dallas	○	Own	○	○	○	--	○
WASHINGTON	+ Peoples National Bank, Seattle	○	--	○	○	○	--	--
CANADA	Bank of Montreal	■	INF	○	■	X	150	INF
	Continental Bank of Canada, Toronto	■	Own	X	■	X	181	○

Conclusion of Tests Leads to Decline in Home Banking Operations

Continued from Page 1
the year-long nationwide test. Bank of Montreal remains in the Grassroots videotex system in Canada, but none of the other 13 is continuing any remote retail banking service at this time. Seven have dropped all plans for video banking at any time.

Since June, the number of financial institutions fully operational in video banking is up from 25 to 30. The number in pilot tests is down from 23 to eight. And the number that definitely plan to enter video banking eventually is up from 13 to 21.

The banks, thrifts, and credit unions are listed in the table on page 19. Several have more than one video banking operation under way, such as separate home and business services, or separate services on Viewtron and CompuServe.

Estimating the number of video banking customers is difficult because all the major bank providers decline to say how many they have. William S. Harris, president of VideoFinancial Services of America in Dallas, estimates 70,000. (See his article on page 20.) Charles S. Forbes, marketing head for Covidea, estimated the national total last month at 75,000. In June, the *American Banker* had estimated 58,000.

The institutions that do disclose have 5,941 customers, led by Madison National Bank, which has the Washington, D.C., market to itself with about 1,000 users of its Home Teller service. This is up from 750 in June.

Others show similar growth that is small in absolute numbers but steady. Louisiana National Bank in Baton Rouge has 522 customers in its Shuttle service, up from 336 in June. Toledo Trust Co. now has about 500 in its own VistaBank service and another 25 at its affiliated Trustcorp Inc. in Columbus, up from 372 and 16, respectively, since June.

Los Alamos Credit Union, which serves employees of the Los Alamos government laboratories in New Mexico, went live with a pilot test at the end of November. It started charging customers for the service Feb. 1 and lost 10% of them, but emerges with about 400. It uses the system developed by NCR Universal Credit Union of Dayton, Ohio.

Penn Security Bank & Trust Co. of Scranton, Pa., now has 388 customers banking on-line in its People Server program, another of the proprietary systems developed by medium-sized banks around the country. In June it had 215 users.

Still another is the system developed by Continental National Bank of Miami. It now has 360 on-line customers, up from 310 in June.

Viewtron's New Efforts

Southeast Bank, also of Miami, is the only other bank in Florida fully operational with a video banking service. It also is the only Viewtron bank left in that state, where Viewtron began in November 1983 amid projections of a glorious future for videotex based on the North American Presentation Level Protocol Syntax, or NAPLPS, a standard for communicating data and graphics. At one time, as many as nine Florida banks were signed up.

Viewtron is run by the Viewdata Corporation of America, a subsidiary of Knight-Ridder Newspapers Inc. of Miami Beach. Since Oct. 1, Viewdata has redirected its efforts, adding the American Standard Code for Information Interchange, or ASCII, protocol, for personal computers to the NAPLPS service for dedicated terminals. It also offers what it calls "NAPLPS Lite," a simplified version of that high resolution graphics protocol for Commodore microcomputers.

The Viewtron defections since June are Bank of Coral Gables, County National Bank of South Florida in North Miami Beach, Dadeland Bank in Miami, and Flagler National Bank and The Mall Bank, both of West Palm Beach. None has any plans for video banking.

They dropped out when VideoFinancial Services, recordkeeper and gateway for banking on several videotex networks, started charging the Florida banks for certain services that had been free.

Meantime, Viewtron has been meeting more success with its PC service than it did with the all-NAPLPS terminal service. Southeast Bank once had about 500 customers in the original Viewtron, based on AT&T's Sceptre terminal. They now number 336, but it has added 127 users to its new all-ASCII service over CompuServe.

NCNB National Bank in Charlotte, N.C., is offering video banking over both Viewtron and CompuServe. So is PSFS in Philadelphia. Both use VideoFinancial Services as the gateway.

Viewtron also has teamed up with Dollar Bank of Pittsburgh to develop a separate video banking service called DollarNet that is expected to go into operation within months. Dollar Bank, which will do the remittance processing, is testing the system internally and talking to other banks about adopting it. (Dollar Bank was inadvertently omitted from the table on page 19).

Pronto Attrition

Like Viewtron, Pronto has suffered attrition in recent months. The service developed by Chemical Bank has been folded into Covidea, the videotex partnership of Chemical, AT&T, and Time Inc. Bank of America also is a Covidea participant and will become a partner when and if the Comptroller of the Currency approves.

And Covidea in December signed on First Tennessee Bank as its first new participant. The Memphis-based institution will offer the Pronto service sometime this year.

The Future of NAPLPS

Another test will come to an end March 14 when Empire of America FSB in Buffalo, N.Y., closes down its year-long pilot program. It is sending out letters to the 100 or so participants.

But Empire has not given up all plans for video banking by any means. Its pilot used NAPLPS at a time when that protocol was going out of fashion because of the lackluster results of the Viewtron, Gateway, and Keycom efforts. But Empire of America expects to come back live with a fully operational NAPLPS system, maybe before the year is out.

"We feel strongly that what is available in NAPLPS is far better than what you can get with ASCII," Macrotel president Leonard R. Graziplene said in a telephone interview.

Macrotel is an Empire of America subsidiary that conducts research and development in electronic technology.

Mr. Graziplene believes NAPLPS will replace ASCII eventually, a view apparently shared by Trintex, the videotex partnership of the IBM Corp., Sears, Roebuck and Co., and CBS Inc. Trintex sprang a surprise last month by disclosing that its nationwide videotex service, whenever it is rolled out, will be based on NAPLPS.

"Even in the home it's very easy to adapt the PC with a NAPLPS card that costs less than $100," Mr. Graziplene said.

"You just have to realize there's so much more you can do with NAPLPS than you can do with ASCII. Four or five years ago it was hard to get NAPLPS into a PC. Now we've had it in the Commodore 64 for several years. In coming months the cost will be even less. So there isn't any kind of a formal barrier to using NAPLPS."

A major advantage of NAPLPS, in Mr. Graziplene's view, is that it works in parallel fashion, not serial as ASCII does. It paints a full screen, instead of starting at the top left and printing out a pageful of characters.

"You don't have the cursor gunning across the screen," he said. "If you can paint across the whole screen effortlessly and quickly, it relieves the user of a lot of burden." ■

Videobanking Dropouts

The following banks, bank holding comapnies, and other financial insitutions have run pilot tests or operational systems of videobanking and have dropped the services with no plans to resume.

ARIZONA	Western Savings & Loan Assn., Phoenix. HBI test.
CALIFORNIA	Crocker National Bank, San Francisco. Pronto test. First Interstate Bank of Calif., Los Angeles. Own test.
CONNECTICUT	Colonial Bank, Waterbury. HBI test.
FLORIDA	Bank of Coral Gables. Viewtron. County Natl. Bank of South Fla., North Miami Beach. Viewtron. Dadeland Bank, Miami. Viewtron. Flagler National Bank, West Palm Beach. Viewtron. The Mall Bank, West Palm Beach. Viewtron.
ILLINOIS	Continental Illinois NB&T Co., Chicago. HBI test. Farmers State Bank & Trust Co., Jacksonville. Own test.
MINNESOTA	First Bank System, Minneapolis. FirstHand test.
NEW JERSEY	Citizens First National Bank, Glen Rock. Ridgwood test. Fidelity Union Trust Co., Newark. Ridgewood test. Horizon Bancorp., Morristown. Own test. Independence Bank, Allendale. Ridgewood test.
NEW YORK	Marine Midland Bank, New York. HBI test.
NORTH CAROLINA	First Union National Bank, Charlotte. HBI test.
OHIO	Third National Bank, Dayton. HBI test.
TENNESSEE	Central Trade Bank, Knoxville. Bank-at-Home test.
WISCONSIN	First Wisconsin National Bank, Milwaukee. HBI test.

Crocker National Bank in San Francisco concluded a Pronto pilot test last May and dropped all plans for video banking. Worthen Bank & Trust Co. of Little Rock, Ark., ended its test July 31, but it does expect to offer video banking eventually. Manufacturers National Bank in Detroit concluded a test Nov. 30 and also plans an on-line service at some time.

At Bankers Trust Company of South Carolina in Columbia, the Pronto pilot test ended Dec. 31 and the bank has no plans to go into full operation. It was merged into NCNB National Bank on Jan. 2 and expects the NCNB Viewtron/CompuServe service to be offered in South Carolina, too.

American Security Bank in Washington also is a Pronto licensee, but its plans to go live with video banking have faded.

Meantime, however, Union Trust Co. of New Haven, Conn., and Florida National Bank of Jacksonville say they have added customers to both their Pronto Personal and Pronto Business Banker services.

Error in Table

Dollar Bank, Pittsburgh, was omitted inadvertently from the Who's Who in Video Banking Nationwide table on page 19. The savings bank is joining with Viewtron to develop a video banking service which is now being tested internally and is expected to be introduced within months. ■

Comment . . .

Continued from Page 21
sonal computers is very low justifiably feel no urgency. Even so, they should stay closely in tune for the emergence of low-priced appliances that will give everyone ready access to videotex services. At that point, of course, all banks will enter the picture if only for defensive purposes.

If banks offered only checking, savings, and lending services, remote banking would not have much of a market potential. But the product mix today includes an array of CD accounts, NOW accounts, access to mutual funds, brokerage, and insurance services. There will be more, as banks vie with nonindustry competitors in the race to become financial supermarkets.

In turn, consumers are faced with the complex challenge of keeping their money at work most productively, as economic conditions change. Video banking gives them the ability to monitor the performance of their investments, as well as shift funds among various accounts.

One of the key advantages for banks is that they can provide these services irrespective of geography. With the availability of ATM networks for cash withdrawals, and automated clearing house systems for payroll deposits, they can offer national banking services without physical branch facilities. This could be particularly important in holding onto the approximately 15% of customers banks lose each year as a result of their moving out of the bank's marketing area.

Currently, about 10% of households have personal computers, which means there are some eight million potential consumers for video banking. There are also approximately 800,000 current users of data base services through personal computers with modems. This, plus the significant number of small business prospects, makes video banking a viable product in today's marketplace. The only caveat is that banks need to be totally committed to the concept and willing to make a concerted marketing effort if they expect to achieve a permanent position in the field. ■

BankWire . . .

Continued from Page 1

That liability, to be assessed according to volume share, could be lowered if operating pieces of the company can be sold, he said.

The organization's main services are the CashWire funds-transfer system, the BankWire message network, and a notification service for dishonored checks. Those operations will cease on March 7, Mr. Kemper said.

While BankWire has 120 member institutions, the organization was kept alive in recent years largely by a few money center banks determined to keep the Federal Reserve from having a virtual monopoly on the domestic money-transfer business. These banks considered private-sector competition to the Fed crucial so the banking industry would have an alternative in shaping money-transfer developments. Competition would also force the Fed to keep its processing fees low, they believed.

However, while these banks voiced strong support for BankWire and financed it, they did not provide the wire-transfer volume it needed to survive because the Fed's service, quite simply, was more attractive, bankers admit.

Even the development of the CashWire net settlement system in 1982, which gave the organization the capability of actually transferring funds rather than just issuing funds-transfer instructions, was not enough to put it on an equal footing with the central bank's Fed Wire system.

Fed Wire payments are settled immediately and considered final, but CashWire transactions are not settled until the end of the day. Therefore, CashWire transactions have been considered more risky because of the possibility that a bank might fail before the end-of-the-day settlement, leaving its trading partners liable. While such a possibility might be considered remote, it is not taken lightly by the players involved in a network designed to handle multimillion-dollar payments.

"It was just something that we couldn't compete with," Mr. Kemper said in an interview Friday.

The Last Straw

The last straw came when the 10 largest member banks indicated they would not back up a promise to guarantee a total daily volume of 12,500 wire transfers on CashWire starting this July. BankWire was counting on that traffic plus projections of an additional 6,000 wires from other members to cover its expenses, Mr. Kemper said in a letter sent to member banks last Friday.

While the 10 banks did say they would provide about half of the expected volume and pay BankWire the appropriate amount for the unfulfilled volume, Mr. Kemper felt that the projected volumes of the other members would have to be lowered also.

"These new projections would produce a shortfall in CashWire revenue of about $800,000 for the year," Mr. Kemper wrote. "Along with other budget adjustments, BankWire now projects total cash-flow shortfall of $1.3 million for 1986" — some $1.1 million over the company's approved borrowing capacity.

"Therefore," he continued, "BankWire would no longer break even by December 1986 and would require substantial additional traffic in 1987 to reach break-even at that time. Obviously, this would put off for some time BankWire's ability to repay its senior debt obligation. These facts raise fundamental questions about the financial viability of BankWire.

"Accordingly, at its meeting [last Thursday], your board of directors reluctantly concluded that it was in the best interest of the member banks to stop the continued cash flow deficit, discontinue BankWire operations, and put the company in liquidation."

Mr. Kemper said that a complex Federal Reserve program to curb intraday overdrafts, which takes effect next month, was cited by member banks as part of the reason why they were not ready to commit more volume to CashWire now.

The estimated liquidation cost of $10.5 million included $3.5 million to pay off loans, $3.3 million for equipment leases, and $1.5 million for office leases. The actual amount could be lower if BankWire is able to sell off some of its operating areas. The cost of the liquidation to members will be determined by their volume amounts, he said.

Fashioned as a private-sector alternative to the Fed Wire for the transfer of large-dollar-value corporate transactions, BankWire never really caught on. At its peak in 1970, the organization had 230 member banks that sent 27,000 payment instructions and administrative messages a day.

Since then, BankWire has lagged while the Fed Wire and the New York-based CHIPS system, which primarily handles international payments, have experienced explosive growth.

The most important enhancement of the BankWire organization's funds-transfer product was the introduction of CashWire in 1982. That enabled the company to actually transfer funds. Previously, BankWire, using its network by the same name, could send only payment instructions, which were carried out by adjustments to correspondent accounts — an antiquated procedure compared to the immediate transfer and settlement service offered by the Fed Wire.

But CashWire, too, never caught hold. While thousands of banks use the Fed Wire daily to transmit 180,000 wire transfers valued at more than $350 billion, only a few thousand funds transfers were being made daily by a couple of dozen banks over CashWire. ■

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10 Brokers Offer On-Line Orders

Continued from Page 1

issue of Jan. 17, 1985, the *American Banker* estimated 6,500 customers. The brokers who do disclose their numbers show a total now of more than 11,400.

Two brokers have introduced an on-line service since the survey last year. They are Charles Schwab & Co. of San Francisco, the largest of the discounters, and Eastern Capital Securities Inc. of Boston.

Another has been merged; C.D. Anderson & Co. of San Francisco now operates as a division of Security Pacific Brokers Inc. of Pasadena, Calif.

The 10 are listed in a table on page 18. All are either discounters or full-service brokers who give discounts to on-line customers.

Three of the brokers can be accessed both directly and from video banking services — Security Pacific Brokers, Quick & Reilly Inc., and Schwab. The on-line service of Rose & Co. Investment Brokers Inc. can be accessed only by video banking customers of its parent, the Chase Manhattan Bank.

Others are accessible from videotex services. CompuServe, for example, gateways into the Max Ule division of Ingham, Becker & Co. of New York and Quick & Reilly. Dow Jones News-/Retrieval since October has afforded access to Fidelity Brokerage Services of Boston.

Delphi, a smaller videotex service based in Boston, offers access to the North American Investment Corp. of East Hartford, Conn. Subscribers to the Source enjoy on-line brokerage through Spear Securities Inc. of Los Angeles. And subscribers to Western Union's EasyLink since last March have been able to enter orders for Eastern Capital Securities.

A new brokerage firm — Wescom Securities — is about to make an introduction, according to its promoters. It is the American subsidiary of "a major foreign bank," said Harold Bolling, national sales manager for the Wescom Corp. of Jericho, N.Y.

Wescom has set March 1 as the date to launch the on-line service through Wescom's Direct Shop function on the FYI segment of EasyLink. "It will be 5% below the lowest discount broker," Mr. Bolling said. "We hope to make it up in volume."

Among the 10 on-line brokers, the lowest commissions are charged by the Unified Management Corp. of Indianapolis. For a representative $30 stock, customers in its Unisave accounts pay $30 for a trade of 100 shares and $100 for 1,000 shares.

For the same $30 stock, the highest commissions among the 10 on-liners are the $56.90 charged by Fidelity Brokerage Services of Boston for 100 shares and $199.96 charged by Max Ule for 1,000 shares.

— **David O. Tyson**

Strategic Dates
Oct. 13, 1986

HOLIDAY: All Federal Reserve banks are closed in honor of Columbus Day.

NY Senator Aims to Help First-Time Home Buyers With Tax-Free Account

Special to the American Banker

ALBANY, N.Y. — A first-time home buyer's tax-free account, similar to an IRA, has been proposed by Sen. Owen H. Johnson, RC-Suffolk, in legislation introduced in the New York State Senate.

The bill would allow those who have never owned a home, regardless of age, to establish an account for the purchase of a home, using a deduction from personal income of up to $2,000 each year. Interest earned on the proposed account would not be subject to state income tax, and a husband and wife would be entitled to a total deduction of $2,000, divided in any manner they desire for tax purposes.

In the event deposits and accrued interest were used for purposes other than the purchase of a home, they would be subject to income tax for the year the withdrawal was made. The same penalty would apply if the funds were used to purchase or build a first home that was not used as the "primary residence" within two years.

Sen. Johnson said that nationwide approximately 37% of home purchases are made by persons who did not previously own their homes, and there is every reason to believe that the percentage holds here. "This legislation will breathe new life into the state's home-building industry and encourage savings by those who have not yet purchased their own homes but plan to do so in the future." ■

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American Banker

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st Year

INSIDE TODAY

Setting Up Shop

Foreign banks — led by the Japanese — are settling into the fast-paced and profitable American market. Their operations require proper legal structuring and successful melding of international culture and corporate styles. Today's feature section looks at how foreign banks pack U.S.-bound bags; it begins on page... 11

PEOPLE

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REGIONAL BANKING

A New Feature: *American Banker* today introduces a Regional Banking page that focuses on banking developments in the tristate Mid-Atlantic region. The page looks at the stock outlook for banks, legislative developments, and a "Pennsylvania Diary." The new page is the first in a series that will run from time to time focusing on the major banking regions resulting from the growth of interstate banking... 40

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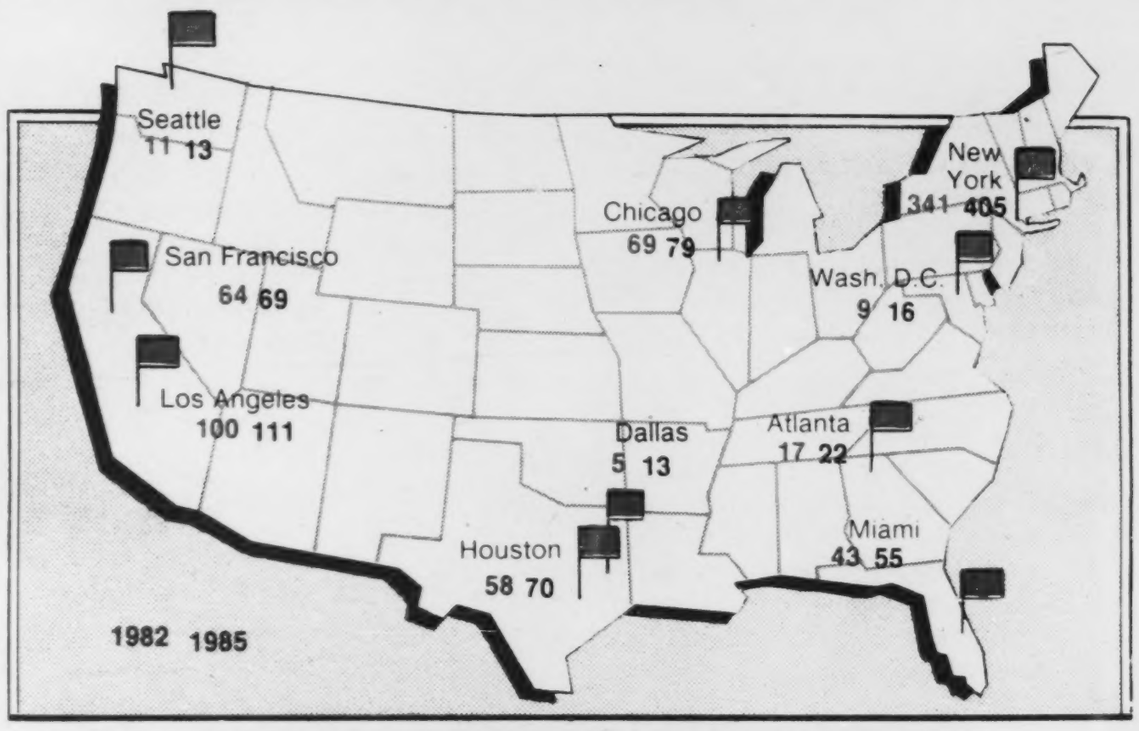
To Our Readers

The American Banker will not be published Monday in observance of Washington's Birthday.

Foreign Banks Hungry for US Commercial Loans



LOCATION OF FOREIGN BANKS' U.S. OFFICES

They Gobble Up Participations In Credits from Lenders Here, Gaining Record Market Share

By L. MICHAEL CACACE

NEW YORK — Foreign banks acting through their U.S. banking offices were major purchasers of business loan participations sold by domestically owned banks last year, indicating that fundamental changes are under way in domestic commercial lending.

These loan participation sales were the main reason why business loans grew more than two and a-half times faster at foreign bank-owned U.S. banking offices than at domestically owned U.S. banks last year.

These are some of the findings of *American Banker's* annual study of the U.S. banking operations of foreign banks. *American Banker* looks at the commercial and industrial loans, or business loans; deposits; and total assets booked by foreign banks through their U.S. offices over the year ending June 30, 1985.

Statistical Survey

This special section includes tables listing cities with most foreign banking offices, US branches of foreign banks, and commercial and industrial loans at US units of foreign banks..... Page 1A

The U.S. banking offices of foreign banks include branches, agencies, commercial bank subsidiaries, Edge Act banks, and New York State investment companies. U.S. finance companies owned by foreign banks were not included.

At midyear 1985, business loans at the U.S. banking offices of foreign banks totaled $105.7 billion, up 13.8% from $92.9 billion on June 30, 1984. Over the same period, the business loans of domestically owned U.S. banks rose by only 5% to $377.9 billion from

➳ Foreign: Page 38

Number of Foreign Bank Offices Increases for Fifth Year in Row

By THERESIA TREPEL

NEW YORK — The number of U.S. banking offices of foreign banks increased for the fifth year in a row in 1985.

Last year, foreign banking offices totaled 940, up 3.8% from 906 offices in 1984. In 1984, the number of foreign banking offices increased 4.7%.

New York again had the most foreign offices, with 405, or 43.1% of the total. Los Angeles was second with 111, or 11.8%, and Chicago was third with 79, or 8.4%.

New York also had the largest net gain — openings less closings — in foreign banking offices last year, with 22. This total comprised 16 representative offices, four branch offices, and two agency offices.

These are some of the findings of the *American Banker's* annual survey of the U.S. banking offices of foreign banks.

Banking offices of foreign banks in the United States are defined in the survey to include agencies, branches, commercial bank subsidiaries, Edge Act banks, investment companies, finance companies, and representative offices.

Last year, foreign banks had 181 agencies operating in the United States, compared with 178 in 1984. Foreign bank branches totaled 309, down from 310. Commercial bank subsidiaries experienced a net gain of seven, to 75.

Representative offices posted the highest net gain in offices, and Edge banks had the largest net decline. Rep-

➳ Survey: Page 39

Australian Dollar-Denominated Deals Begin Complex Maneuver for 5 Firms

By JOHN P. FORDE

NEW YORK — Financial firms went far and wide in their search for capital in the opening weeks of 1986, as several offered debt denominated in Australian dollars as the first round of a complicated capital raising technique.

Capital Actions

Financial companies issued five Australian dollar-denominated deals in January, including:

- A $125 million (U.S.) floating-rate note issue by Security Pacific Corp., equal to 175 million Australian dollars.
- A $71 million Student Loan Marketing Association note issue, equivalent to 100 million Australian dollars.
- A $74 million Bankers Trust New York Corp. floating-rate debenture offer, equal to 100 million Australian dollars.
- A $111 million Commonwealth Bank of Australia note issue equal to 150 million Australian dollars.
- A $111 million J.P. Morgan & Co. note offer, also for 150 million Australian dollars.

The Security Pacific issue was the first Australian dollar floating-rate note ever publicly issued in the United States. They were issued under a debt shelf registration statement that Security had already filed with the Securities and Exchange Commission.

The major underwriter for three of these deals — Security Pacific's, Sallie Mae's, and Bankers Trust New York Corp.'s — was Salomon Brothers Inc. Jeff Hanna, a managing director at Salomon Brothers, said that the Australian dollar-denominated issues are simply the latest part of a trend toward de-

Capital Offerings Tables, Pages 8,9

➳ Capital Actions: Page 8

Building Tennessee's financial future

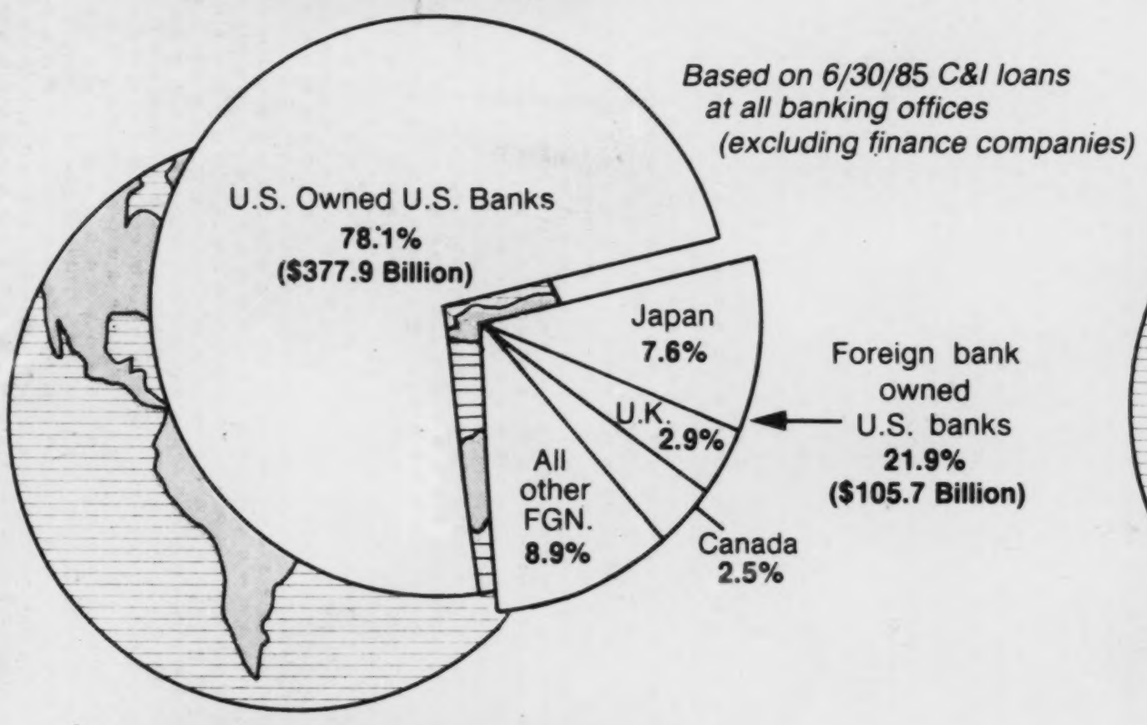
THIRD NATIONAL CORPORATION
NASHVILLE, TENNESSEE

PULL OUT AND SAVE

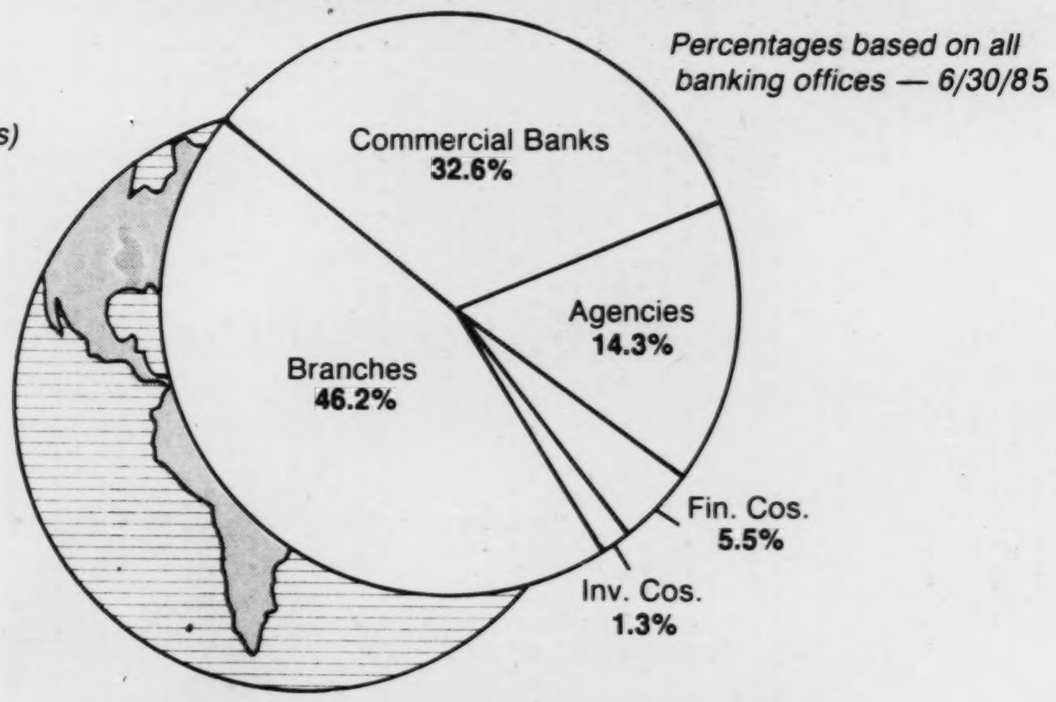
FOREIGN BANKING IN THE U.S.

A Look at U.S. Banking Operations of Foreign Banks 6/30/85 Compared with 6/30/84

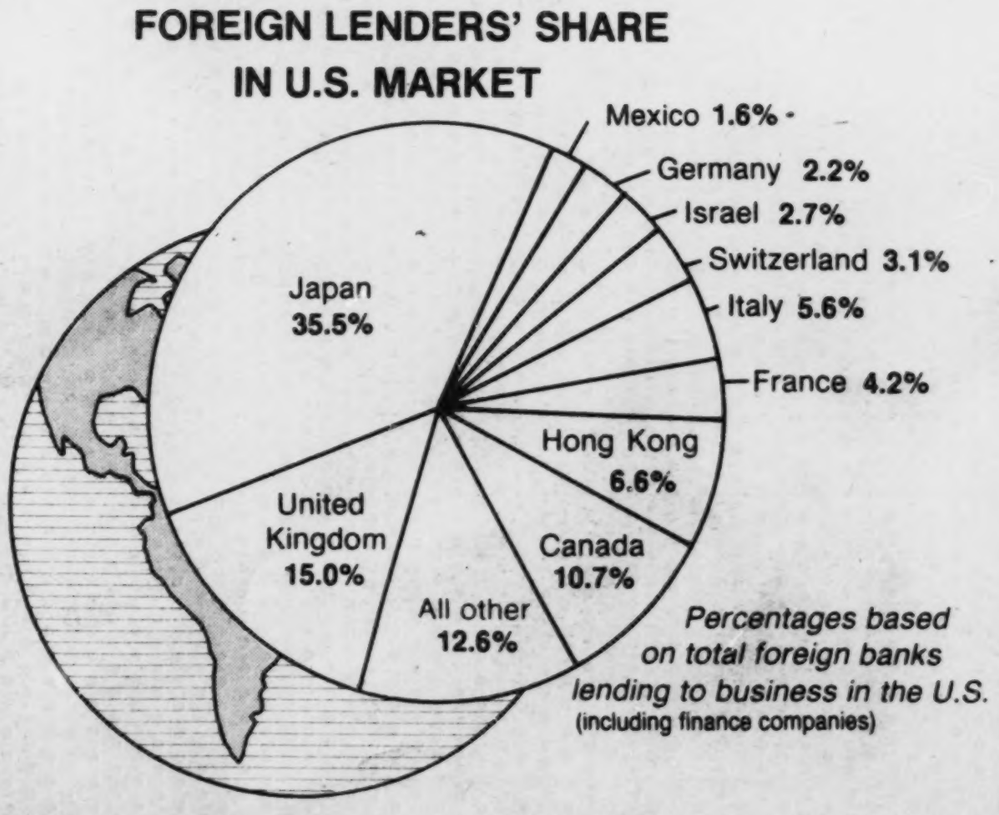
FOREIGN BANKS' SHARE OF THE U.S. LENDING MARKET



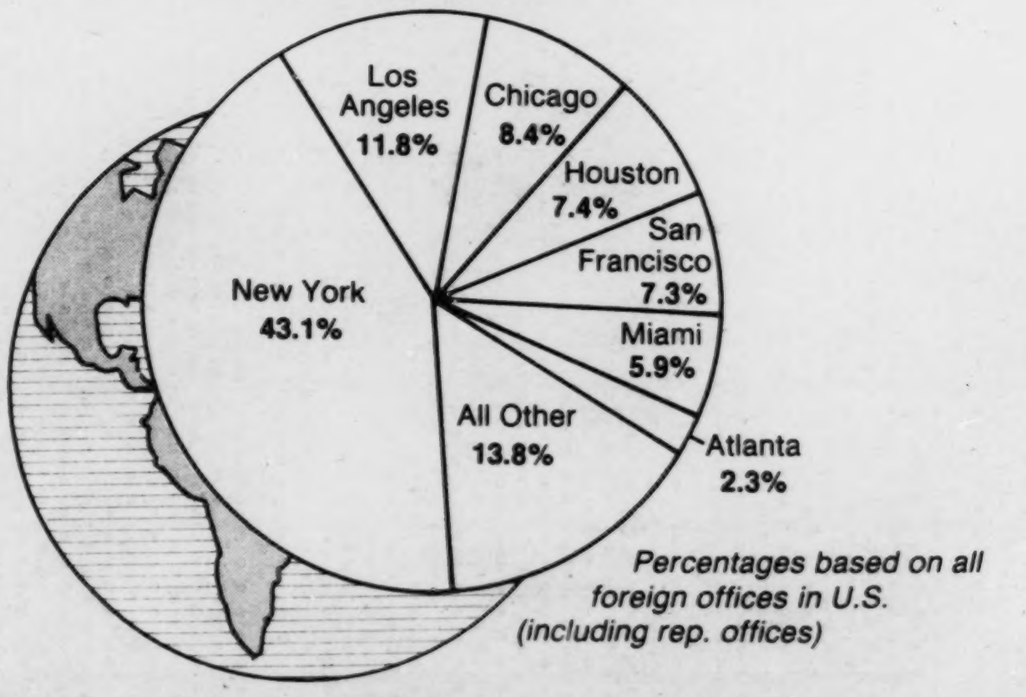
BREAKDOWN OF FOREIGN BANKS' U.S. C&I LOANS BY OFFICE TYPE



FOREIGN LENDERS' SHARE IN U.S. MARKET



CONCENTRATION OF FOREIGN BANKS' U.S. OFFICES



All tables in this section (pages 1A-24A) are compiled by the American Banker © 1986

Foreign Banks with More Than $1 Billion in C&I Loans At U.S. Subsidiaries, Branches, and Agencies

Compiled by **American Banker** Copyright 1986

(Dollar Figures in Millions)

Rank 6/85	Rank 6/84		June 30, 1985 C&I Loans	Total Assets	Total Deposits	Total # of U.S. Offices	% Chng in C&I (a)	June 30, 1984 C&I Loans	Total Assets	Total Deposits	Total # of U.S. Offices	% Chng in C&I (a)
1	1	Hongkong & Shanghai Banking Corp., Hong Kong	$7,273	$23,705	$16,373	19	+ 2.7	$7,079	$23,934	$18,012	13	+19.4
2	2	Fuji Bank Ltd., Tokyo	6,723	16,555	8,702	6	+17.5	5,721	15,407	6,854	6	+20.4
3	3	Bank of Tokyo Ltd.	5,749	20,330	13,077	11	+10.4	5,207	20,458	12,657	11	-10.3
4	4	Midland Bank Plc., London (b)	4,519	22,698	16,424	3	-12.4	5,164	28,094	18,112	3	- 4.3
5	18	Bank of Montreal (c)	4,416	15,917	9,934	14	+147.0	1,786	6,224	3,857	4	-14.9
6	6	National Westminster Bank Plc., London	4,270	12,218	8,738	5	+29.2	3,303	11,702	8,525	5	+19.4
7	5	Mitsubishi Bank Ltd., Tokyo	3,079	15,932	8,822	7	-16.7	3,696	17,151	9,327	7	+53.4
8	14	Dai-Ichi Kangyo Bank Ltd., Tokyo	2,866	14,222	8,127	4	+31.4	2,181	13,162	6,969	4	-10.8
9	8	Standard Chartered Bank Plc., London	2,762	9,554	7,105	9	+ 5.9	2,607	9,714	6,942	9	+12.8
10	7	Barclays Plc., London	2,739	9,700	5,705	17	+ 2.4	2,674	8,439	3,723	17	- 6.7
11	9	European American Group (d)	2,560	7,548	5,299	1	+ 0.2	2,555	6,562	4,804	2	-4.0
12	13	Industrial Bank of Japan Ltd., Tokyo	2,526	9,272	5,270	3	+14.4	2,208	8,501	4,506	3	+28.7
13	15	Royal Bank of Canada, Montreal (e)	2,451	5,342	3,155	12	+15.7	2,119	5,930	3,278	12	-9.4
14	16	Swiss Bank Corp., Basle	2,398	6,556	3,134	5	+17.3	2,043	6,379	3,932	5	+37.4
15	10	Sumitomo Bank Ltd., Osaka	2,295	11,707	7,763	5	- 8.3	2,505	9,857	6,759	5	+24.6
16	20	Toronto Dominion Bank	2,212	8,037	3,033	5	+49.0	1,485	6,401	1,935	5	+11.5
17	12	Sanwa Bank Ltd., Osaka	2,209	11,510	6,099	5	- 1.4	2,241	13,515	7,744	4	+19.6
18	17	Banque Nationale de Paris	2,016	6,211	3,439	8	+ 3.4	1,950	6,724	4,432	8	+ 6.7
19	11	Mitsui Bank Ltd., Tokyo	1,892	6,669	4,182	4	-20.8	2,388	7,426	3,843	4	- 0.6
20	19	Lloyds Bank Plc., London	1,788	6,490	4,582	9	+ 5.9	1,688	6,207	4,522	9	+24.3
21	21	Canadian Imperial Bank of Commerce, Toronto	1,623	6,061	3,570	11	+15.7	1,404	4,737	3,376	11	-18.7
22	23	Tokai Bank, Ltd., Nagoya	1,517	6,657	3,185	4	+15.8	1,309	6,146	2,444	4	+78.8
23	24	Long-Term Credit Bank of Japan, Ltd., Tokyo	1,457	3,703	1,735	2	+24.4	1,172	3,852	1,615	2	+53.1
24	--	Banco di Roma, Rome	1,322	5,614	4,018	4	+62.2	815	3,211	2,113	3	+31.4
25	22	Bank Leumi le-Israel, Tel-Aviv	1,314	3,227	2,918	7	- 1.4	1,332	3,138	2,785	7	+10.2
26	--	Banco di Napoli, Naples	1,258	2,784	1,677	1	+287.0	326	1,423	908	1	+22.9
27	--	Algemene Bank Nederland, Amsterdam	1,220	3,578	2,171	13	+29.5	942	3,784	1,817	13	-6.4
28	27	Banca Nazionale del Lavoro, Rome	1,203	4,708	3,156	5	+19.8	1,004	3,259	2,203	5	+22.1
29	--	Nippon Credit Bank Ltd., Tokyo	1,163	3,331	2,265	2	+42.8	814	4,192	2,468	2	+30.4
30	--	Daiwa Bank Ltd., Osaka	1,048	5,202	3,456	3	+20.2	872	4,121	2,767	3	+15.9
31	25	Bancomer, Mexico City	1,026	1,752	813	3	- 8.8	1,125	2,878	930	3	+61.5

*—Average deposits and assets for June 1985 and June 1984 were used for branches and agencies; and balances as of June 30, 1985, were used for U.S. commercial bank subsidiaries, New York State investment companies, and Edge banks. Also, total loans as of 6/30/85 , and not C&I loans, were used for Edge banks. For finance companies, data as of Dec. 31, 1984, and Dec. 31, 1983, were used. Acquistions made, and offices opened, after June 30, 1985, are not included here.

(a)—Annual growth in commercial and industrial loans over the year ended 6/30/85 and 6/30/84, respectively. **(b)**—Also has an interest, along with five other banks, in European American Bank, New York. **(c)**—Acquired Harris Bankcorp, Inc., Chicago, in September 1984. Data for June 30, 1984 do not include this acquisition. **(d)**—The group consists of six European banks: (1)-Amsterdam-Rotterdam Bank, Amsterdam, Netherlands; (2)-Creditanstalt-Bankverein, Vienna, Austria; (3)-Deutsche Bank, Frankfurt; (4)-Midland Bank Plc., London; (5)-Societe Generale de Banque, Brussels; and (6)-Societe General, Paris. **(e)**—June 30, 1985 data for its four Puerto Rican branches were not available.

10 Cities with the Most Foreign Banking Offices

(Includes Offices Opened Since Mid-1985)

		Total Offices[1]	Agencies	Branches	Commercial Bank Subs.	Edge Act Banks	Represent. Offices	All Other
NEW YORK	6/30/85:	405	34	195	26	10	129	11
	6/30/84:	383	32	191	26	10	113	11
LOS ANGELES	6/30/85:	111	57	17	14	0	23	0
	6/30/84:	108	58	15	14	2	19	0
CHICAGO	6/30/85:	79	0	44	3	2	29	1
	6/30/84:	76	0	43	3	2	27	1
HOUSTON	6/30/85:	70	0	0	0	10	60	0
	6/30/84:	69	0	0	0	11	58	0
SAN FRANCISCO	6/30/85:	69	33	9	10	2	15	0
	6/30/84:	67	32	9	10	2	14	0
MIAMI	6/30/85:	55	32	0	2	11	10	0
	6/30/84:	52	32	0	2	11	7	0
ATLANTA	6/30/85:	22	12	0	0	0	10	0
	6/30/84:	19	12	0	0	0	7	0
WASHINGTON, D.C.	6/30/85:	16	0	3	0	1	12	0
	6/30/84:	16	0	3	0	1	12	0
SEATTLE	6/30/85:	13	0	11	0	0	2	0
	6/30/84:	13	0	11	0	0	2	0
DALLAS	6/30/85:	13	0	0	0	0	13	0
	6/30/84:	9	0	0	0	0	9	0
TOTALS For 10 Largest	6/30/85:	854	168	279	55	37	303	12
	6/30/84:	812	166	272	55	39	268	12
TOTALS All U.S. Offices of Foreign Banks	6/30/85:	940	181	309	75	37	322	14
	6/30/84:	906	178	310	68	41	295	14
TOTALS Number of Cities[2]	6/30/85:	55	14	16	21	7	28	4
	6/30/84:	46	13	22	16	9	27	4

1 —Total offices is the sum of agencies, branches, commercial bank subsidiaries, Edge Act banks, reprersentative offices, and all other offices.

2 —The number in the first column shows the total number of U.S. cities that have foreign banking offices.

C&I Loans, Deposits, and Assets At U.S. Offices of Foreign Banks

(Dollar Figures in Billions)

		Number of Banks with US Offices	Number of US Offices	C&I Loans	Ratio (a)	Deposits	Assets
JAPAN	6/30/85:	26	83	$ 39.7	35.5%	$ 102.1	$164.7
	6/30/84:	24	79	$ 36.5	37.6%	$ 87.3	$153.6
		+2	+4	+ 8.8%		+17.0%	+ 7.2%
UNITED KINGDOM	6/30/85:	13	54	$ 16.8	15.0%	$ 44.8	$ 63.8
	6/30/84:	14	55	$ 16.2	16.7%	$ 44.0	$ 67.3
		—1	—1	+ 3.7%		+ 1.8%	— 5.2%
CANADA	6/30/85:	10	60	$ 12.0	10.7%	$ 22.6	$ 42.2
	6/30/84:	9	49	$ 8.3	8.6%	$ 15.4	$ 29.9
		+1	+11	+44.5%		+46.8%	+41.1%
HONG KONG	6/30/85:	11	31	$ 7.4	6.6%	$ 16.9	$ 24.4
	6/30/84:	10	24	$ 7.2	7.4%	$ 18.4	$ 24.4
		+1	+7	+ 2.8%		- 8.2%	---
ITALY	6/30/85:	10	24	$ 6.3	5.6%	$ 17.0	$ 24.6
	6/30/84:	10	24	$ 4.1	4.2%	$ 11.4	$ 17.1
				+53.7%		+49.1%	+43.9%
FRANCE	6/30/85:	14	38	$ 4.7	4.2%	$ 11.1	$ 20.1
	6/30/84:	14	38	$ 4.4	4.5%	$ 10.0	$ 19.5
				+ 6.8%		+11.0%	+ 3.1%
SWITZERLAND	6/30/85:	8	17	$ 3.5	3.1%	$ 7.3	$ 14.5
	6/30/84:	7	15	$ 3.0	3.1%	$ 8.2	$ 13.8
		+1	+2	+16.7%		-11.0%	+ 5.1%
ISRAEL	6/30/85:	4	26	$ 3.0	2.7%	$ 8.1	$ 9.7
	6/30/84:	4	22	$ 2.8	2.9%	$ 7.6	$ 9.0
			+4	+ 7.1%		+ 6.6%	+ 7.8%
GERMANY	6/30/85:	13	22	$ 2.5	2.2%	$ 4.6	$ 7.7
	6/30/84:	13	22	$ 2.5	2.6%	$ 4.4	$ 8.1
				+ 0.0%		+ 4.5%	- 4.9%
MEXICO	6/30/85:	6	11	$ 1.8	1.6%	$ 1.7	$ 3.9
	6/30/84:	6	12	$ 1.5	2.2%	$ 1.5	$ 4.9
			-1	+20.0%		-22.7%	-20.4%
TOTALS							
For top 10	6/30/85:	115	366	$ 97.7	87.4%	$236.2	$375.6
	6/30/84:	111	340	$ 86.5	89.1%	$208.7	$347.6
		+ 4	+26	+12.9%		+13.2%	+ 8.1%
TOTALS							
For all foreign banks	6/30/85:	256(55)	616	$ 111.8	100.0%	$259.5	$430.2
in the U.S (b)	6/30/84:	251(54)	592	$ 97.1	100.0%	$228.2	$386.9
		+ 5(+1)	+24	+15.1%		+13.7%	+11.2%

Includes all of the foreign banks' U.S. branches, agencies, Edge banks, commercial banks, finance companies and New York State investment companies. **(a)**—Ratio of commercial and industrial loans booked by all U.S. offices of the country's banks to all C&I loans booked by all the U.S. offices of all the foreign banks in the U.S. **(b)**—The number of foreign countries with banking offices in the U.S. is shown in parenthesis.

C&I Loans, Deposits, and Assets At U.S. Offices of Foreign Banks

(Dollar Figures in Billions)

		Number	C&I Loans	Deposits	Assets
AGENCIES (a)	6/30/85:	181	$ 16.0	$ 26.0	$ 65.3
	6/30/84:	175	$ 15.4	$ 19.4	$ 58.6
		+ 6	**+ 3.9%**	**+34.0%**	**+11.4%**
BRANCHES (a)	6/30/85:	311	$ 51.6	$127.2	$219.1
	6/30/84:	298	$ 43.7	$108.6	$195.3
		+13	**+18.1%**	**+17.1%**	**+12.2%**
COMMERCIAL BANKS (b)	6/30/85:	73	$ 36.4	$104.0	$134.6
	6/30/84:	66	$ 32.2	$ 96.5	$121.9
		+ 7	**+13.0%**	**+ 7.8%**	**+10.4%**
EDGE ACT BANKS (c)	6/30/85:	37	$ 0.29	$ 1.1	$ 1.6
	6/30/84:	40	$ 0.09	$ 1.0	$ 1.4
		- 3		**+10.0%**	**+14.3%**
FINANCE COMPANIES (d)	6/30/85:	4	$ 6.1	$ 0.0	$ 6.4
	6/30/84:	4	$ 4.2	$ 0.0	$ 6.0
			+45.2%		**+ 6.7%**
INVESTMENT COMPANIES (e)	6/30/85:	10	$ 1.4	$ 1.2	$ 3.2
	6/30/84:	9	$ 1.5	$ 2.7	$ 3.7
		+ 1	**- 6.7%**	**-55.6**	**-13.5%**
TOTALS					
U.S. OFFICES OF FOREIGN BANKS	6/30/85:	616	$111.8	$259.5	$430.2
	6/30/84:	592	$ 97.1	$228.2	$386.9
		+24	**+15.1%**	**+13.7%**	**+11.2%**
TOTALS					
ALL U.S. BANKS (f)	6/30/85:	15,355[1]	$483.6	$1,657.1	$2,303.0
	6/30/84:	15,380[1]	$452.9	$1,532.9	$2,155.5
		—25[1]	**+ 6.8%**	**+ 8.1%**	**+ 6.8%**
TOTALS					
Ratio: Foreign:All (g)	6/30/85:	**3.6%**	**21.9%**	**15.7%**	**18.4%**
	6/30/84:	3.6%	20.5%	14.9%	17.7%
	6/30/83:	3.6%	21.4%	12.4%	16.0%
	6/30/82:	3.2%	21.7%	11.2%	15.5%
	6/30/81:	2.8%	20.3%	10.2%	15.2%

(a)—Average deposits and assets for June 1985 and June 1984 were used for branches and agencies. **(b)**—C&I loan data were available for 71 of the 73 banks.Commercial bank number count includes bank head offices only and does not include the branches of these banks. **(c)**—Edge bank number count includes branches. To avoid double counting, data for Edge banks, which are subsidiaries of foreign bank-owned U.S. commercial banks, are excluded from the totals for C&I loans, deposits, and assets. The 1985 loan figures for Edge Act banks are total loans. **(d)**—Yearend 1984 and yearend 1983 data were used for finance companies. **(e)**—For 6/30/85, data for three of the four companies were available. **(f)**—The source of the aggregate C&I loan, deposit, and asset data is the **Federal Reserve Bulletin.** **(g)**—The ratio is all U.S. offices of foreign banks to all U.S. banking offices. In computing the ratios, finance company data were subtracted out from the U.S. offices of foreign banks totals for comparability with Federal Reserve aggregate data. **([1])**—All U.S. banks include domestically-chartered, FDIC-insured commercial banks, plus the U.S. branches and agencies of foreign banks, plus Edge Act banks and New York State investment companies.

U.S. Branches of Foreign Banks

Listed Alphabetically, Within City With C&I Loans, Assets, and Deposits for June 30, 1985* Compared with June 30, 1984

(Dollar Figures in Thousands)

CALIFORNIA	C&I LOANS 6/30/85	C&I LOANS 6/30/84	ASSETS 6/30/85	ASSETS 6/30/84	DEPOSITS 6/30/85	DEPOSITS 6/30/84
Beverly Hills						
1 Bank Leumi le-Israel (H,x)	88,536	79,978	254,238	240,051	217,996	218,854
Encino						
1 Bank Hapoalim (H)	84,567	...	173,870	...	66,540	...0
2 Bank Leumi le-Israel (H)	(a)					
Los Angeles						
1 Bangkok Bank Ltd. (x)	7,800	2,862	89,667	45,492	8,177	3,222
2 Bank Hapoalim (H,x)	N.A.	78,076	N.A.	183,771	N.A.	68,800
- Bank Leumi le-Israel (H)	(b)					
3 Banque Indosuez	38,122	27,340	41,731	28,666	1,583	1,575
4 Credit Suisse (H)	187,644	179,598	226,920	203,727	19,324	22,824
5 Hongkong & Shanghai Banking Corp.	16,703	13,883	57,151	51,833	35,298	38,603
6 International Commercial Bank of China	3,926	0	150,515	0	28,210	0
7 Istituto Bancario San Paolo di Torino (H,x)	36,512	44,195	246,765	214,025	208,638	174,560
8 Ka Wah Bank Ltd.	933	950	5,922	7,005	4,872	4,174
9 Lloyd's Bank International (H)	0	15,800	19,211	127,563	18,691	200
10 Philippine National Bank (H,x)	6,000	6,008	44,410	46,866	4,236	5,246
11 Saitama Bank Ltd. (H,x)	215,013	198,446	1,028,196	946,008	674,168	689,647
12 Shizuoka Bank Ltd. (c)	9,926	...	153,520	...	140,271	...
13 Siam Commercial Bank Ltd. (H,x)	19,750	16,164	33,651	34,797	18,883	20,493
14 Societe Generale	24,837	26,094	35,227	34,291	169	679
15 United Mizrahi Bank Ltd. (H,x)	71,415	86,975	97,313	113,175	65,686	71,357
16 Westpac Banking Corp.	37,321	0	45,909	248	170	3
17 Wing Lung Bank Ltd.	1,782	...	15,023	...	12,983	...
San Francisco						
1 Bank Hapoalim (H)	5,608	...	8,452	...	8,203	...
2 Dah Sing Bank Ltd.	7,988	9,906	21,596	15,327	9,086	10,331
3 Hongkong & Shanghai Bank (x)	61,630	58,901	267,744	193,581	162,329	166,476
4 Lloyds Bank International Plc.	103,937	91,875	154,153	91,725	2,659	100
5 Metropolitan Bank & Trust Co. (H)	1,858	6,292	11,985	12,098	3,956	3,891
6 Nanyang Commercial Bank Ltd	433	3	16,934	20,600	2,447	3,099
7 Overseas Trust Bank Ltd. (H)	22,670	33,361	42,483	55,099	16,327	12,331
8 Swiss Bank Corp. (H)	166,249	265,478	546,935	576,172	192,087	375,757
9 Westpac Banking Corp.	9,308	3,182	90,668	31,212	928	616

DISTRICT OF COLUMBIA	C&I LOANS 6/30/85	C&I LOANS 6/30/84	ASSETS 6/30/85	ASSETS 6/30/84	DEPOSITS 6/30/85	DEPOSITS 6/30/84
1 Abu Dhabi International Bank Inc. (H,x)	16,814	10,538	182,380	181,291	85,214	66,145
2 Banco Real (x)	313	352	2,962	2,890	380	483
3 National Bank of Pakistan (x)	2,114	1,380	115,478	108,309	35,467	25,630

GUAM	C&I LOANS 6/30/85	C&I LOANS 6/30/84	ASSETS 6/30/85	ASSETS 6/30/84	DEPOSITS 6/30/85	DEPOSITS 6/30/84
Agana						
1 Allied Banking Corp.	9,579	7,052	50,498	8,467	50,015	7,495
2 First Commercial Bank	9,251	4,540	13,079	8,592	11,035	6,440
3 Metropolitan Bank & Trust Co.	1,473	1,630	4,241	6,723	1,824	2,792

ILLINOIS	C&I LOANS 6/30/85	C&I LOANS 6/30/84	ASSETS 6/30/85	ASSETS 6/30/84	DEPOSITS 6/30/85	DEPOSITS 6/30/84
Chicago						
1 Algemene Bank Nederland (H)	16,640	27,366	80,909	122,283	3,137	4,093
2 Allied Irish Bank Ltd.	23,813	27,067	54,215	57,064	2,362	1,395
3 Australia & New Zealand Banking Gp Ltd.	117,228	59,133	172,852	117,675	10	38
4 Banca Commerciale Italiana (x)	118,944	138,192	995,419	440,968	653,546	236,374
5 Banca Nazionale del Lavoro (x)	118,482	50,875	343,369	209,821	111,921	115,394
6 Banco de la Nacion Argentina (x)	17,902	18,291	200,979	203,790	250	621
7 Banco di Roma (x)	291,723	89,925	870,721	656,447	499,700	430,393
8 Bank Hapoalim (x)	68,220	41,219	94,316	69,981	42,310	35,879
9 Bank Leumi le-Israel	36,930	40,905	107,006	106,947	87,653	89,594
10 Bank of Montreal (d)	609,206	...	1,152,254	...	1,125,258	...
11 Banque Indosuez	100,777	53,230	110,317	59,124	6,537	5,726
12 Banque Nationale de Paris (x)	198,481	134,099	520,490	509,748	216,664	124,925
13 Banque Paribas	162,307	109,366	215,611	136,684	475	32
14 Barclays Bank International	109,029	198,150	111,988	200,718	3,708	4,810
15 Bayerische Vereinsbank	13,218	41,001	108,083	121,320	75,668	48,640
16 Canadian Imperial Bank of Commerce	32,401	56,591	35,633	55,704	163	697
17 Commercial Bank of Korea Ltd.	27,039	35,560	35,509	38,124	3,196	2,600
18 Commerzbank (x)	207,980	214,113	421,707	368,160	265,893	243,413
19 Credit Agricole Mutuel (H,x)	18,231	14,919	223,481	308,098	84,099	136,350
20 Credit Lyonnais	57,907	62,446	133,504	118,493	2,605	8,714
21 Dai-Ichi Kangyo Bank (x)	108,035	119,517	991,220	813,055	651,292	480,492
22 Dresdner Bank	57,894	121,899	138,457	136,688	26,489	25,503
23 Fuji Bank Ltd. (x)	531,770	345,957	1,280,809	1,200,233	360,512	511,678
24 Hongkong & Shanghai Banking Corp.	35,191	9,332	50,322	15,888	12,180	7,358
25 Int'l Commercial Bank of China	4,028	3,760	25,907	25,147	20,874	11,383
26 Korea Exchange Bank (x)	28,805	18,427	55,668	55,128	35,109	26,757
27 Korea First Bank	38,813	37,310	48,478	43,958	7,315	6,163
28 Lloyds Bank International Plc. (x)	159,534	116,119	288,276	200,363	15,303	32,818
29 Mitsubishi Bank Ltd. (x)	176,502	122,280	1,128,845	831,423	18,746	22,697
30 National Australia Bank	67,160	18,020	115,685	84,095	20	34

* —Compiled from data taken from the Federal Reserve Board's report of assets and liabilities of U.S. branches and agencies of foreign banks for June 30, 1985. C&I loans are commercial and industrial loans as of 6/30/85. Assets and deposits are average balances for the 30 day period ended June 30, 1985. **(a)**—Branch opened Dec. 1984. Data were not available. **(b)**—Executive office and computer processing center for the bank in California located here. **(c)**—Began operations 2/85. **(d)**—Began operations 9/84. **(x)**—Has a international banking facility (IBF) office. **(H)**—Office is located in the bank's "home state." **(N.A.)**—Not available.

NOTE

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